Sectt. II-27—104,006—4-11-49.

Development **(195 /) Department.**

MS **SERIES.**

G.O. NO.	4751
Dated	25-10-1951

[Despatch Abstract.]

Acts and Rules - State Aid to Industries Act - Application from Sri K. Upendra Bhat, proprietor Kohinur Industrials (India), Kalliampur South Kanara Dt. for a loan of Rs. 2,000/- Rejected

I.D.S.(Rules) and Commerce Dept. No. T.

From
The Director of Industries and Commerce,
Madras.

To
The Hon'ble Secretary to Government,
Development Department.

ASST. SECRETARY TO GOVERNMENT
28 OCT 1951

No. IA.1239--51 dated 16--10--1951.

Sir,

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23.10.51

Sub:- STATE AID TO INDUSTRIES - Nandanar Industrials (Limited), Nallampur - Application for a loan of Rs. 2,000/-

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Sri A.Gopalaraja Naidu, Proprietor, Nandanar Industrials (Limited), Nallampur, South Arcot District, has applied under the provisions of the State Aid to Industries Act for a loan of Rs. 2,000/- for the manufacture of fountain pen, writing rubber stamp, stencil etc., inks etc.,

A copy of the application together with a copy of the note prepared for the guidance of the Board of Industries is enclosed.

The application was placed before the Board of Industries at its meeting held at Madras on 25th September 1951. An extract of the proceedings of the meeting is also enclosed.

Orders of Government are requested on the application.

Sridhar A. Kumar
22/10
for Director of Industries and Commerce.

(D.T.O.)

NOTES FOR THE BOARD OF INDUSTRIES.

Applications from Sri K.Upendra Bhat, Proprietor Kohinur Industrials (India) Kalliampur, South Kanara District for a loan of Rs. 2,000/-

Sri K.Upendra Bhat, Proprietor, Kohinur Industrial (India) Kalliampur, South Kanara District has applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs. 2,000/- repayable in twenty annual instalments for the manufacture of fountain pen, writing rubber, stamp, Stencil etc inks, fresh polish etc.; copy of the application is enclosed.

It is reported that the applicant is engaged in manufacturing the aforesaid goods on a Cottage Industry basis at his residence and that the loan applied for, if granted, will be utilised for the purchase of dyes, chemicals, bottles, lables, carbons, Papers etc.,

The working of the concern during the last three years as revealed by its Trading and profit and loss account is as follows:-

1948.	Rs. 1,322---0---10	(Profit).
1949.	Rs. 157---5----0	(Profit).
1950.	Rs. 2,252---0----3	(Profit).

No security has been offered for the loan. The attention of the applicant was invited to Section 9 of the State Aid to Industries Act 1922 (Act V of 1923) and he was informed that no loan could be granted without adequate security in the form of concrete assets which should be mortgaged to Government. The applicant has replied stating that he is prepared to offer the stock-in-trade of his concern worth about Rs. 6,000/- as security for the loan.

The District Industries Officer, Tellicherry has reported that the applicant has been engaged in his industry for the past 18 years and he has also reported that finished goods worth Rs.1,400/- have been mortgaged with the Udipi Bank and a sum of Rs.599/- was outstanding on 28.5.1951.

The Collector of South Kanara District, Mangalore has reported that the applicant's industry is making a steedy progress and that his application is a bonafide one. The Tahsildar, Udipi has estimated the value of the movable assets @ Rs. 4,000/-. The applicant's son Sri Damodara Bhat is reported to be willing to offer his personal security.

The views of the Board are solicited.

5.

APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT,1922.
(Madras Act No.Vof 1923.)

1.Name of applicant and his full address:K.Upendra Bhat,Proprietor: Kohinur Industrials(India), 1&2 Sugar Mills Road,Kallianpur,South Kanara District.

2.Nature of the industrial concern for which the aid is sought:

(1)Description of goods manufactured:Fountain-pen,Writing,Rubber-stamp,Indian,Black-board,Copying,Ruling and Stencil Inks,Ink powders, French Polish etc in different sizes and colours are manufactured on a Cottage Industry scale at the residence of the proprietor.

(2)Capital invested-Fixed and Working:Capital invested by the proprietor,being the accumulated profits of the concern,since he took over in 1944 is Rs 4662-11-7 as on year beginning on 23-12-1950.

(3)Production capacity per annum for each type of goods manufactured: Being a cottage industry,there is nothing as limited producing capacity.If the production has to be increased,no much expenditure is required except for raw materials.

(4)Copies of Balance sheets and Profit and Loss Account for the last three years have been enclosed herewith.

3.The administrative,technical and executive staff existing or to be appointed with qualifications:The proprietor,K.Upendra Bhat has a good experience in the line,having served in the concern,since its inception 18 years back.Further Sri K.Damodara Bhat,the present manager, is well versant in chemistry,whose advise and labour are always available to the industry.Hence no skilled or technical person is needed at present,the concern being run only on a cottage industry scale

4.The facilities available for the development of the industry:

(1)Sources of raw materials:Except for aniline dyes,most of the other raw materials are produced in India and every raw material is freely available.

(2)Transport facilities:Having a port only five miles from here,we have steamer facilities for 8 months in the year.Within 5 miles from here at Udipi,there is a Railway Out Agency and as such Railway facilities too are easily available.Furthermore there are lorry services having connections throughout the district,Coorg and Mysore State.

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(3)Market for products:Since India is mostly depending on foreign inks hitherto,we have a good market throughout our country and the recent grant of protection by the Government of India has given us more opportunities for expansion and development.Regarding other products too,they have a good market throughout.Hence with an additional capita our industry can be expanded and developed to a very great extent.

(4)Estimate of anticipated profits: This can not be definately stated. The proprietor hopes,when state-aid is granted to get atleast an additional profit of Rs 500/- in the beginning years and about Rs 1200/- or even more per annum additional profits after four or five years.

5.The nature of processes to be employed:In the manufacture of blue-black fountain-pen ink,aniline dye blue dye is dissolved in a solution of ferrous sulphate and gallic,tannic and other acids. Regarding other inks,respective aniline dyes are used.For French Polish,a solution of lac and rosin in denatured spirit is made.

6.The details of plant and machinery installed or proposed to be installed at the works:As the industry is run on a cottage industry scale with a small output,it does not require elaborate plant or machinery except a few Parrey's earthenwares,siphons etc.

7.The total estimated cost of the undertaking and the probable time that will be occupied in its execution(Details of recurring and non recurring expenditure should be furnished seperately):With a capital invested of not more than Rs 5000/- this is already a running concern.The aid when granted willbe spent in purchasing raw materials as dyes,chemicals, bottles,corks,labels,cartons,paper etc and for such other overheads like advertisements which will enable us to expand the industry.

8.Approximate number of operatives employed or to be employed:Number of operatives already employed or working are only nine.Of this four are the members of my family;others being boys employed for packets packing etc

9.Estimated net expenditure per annum in running the works:The wages paid to labour comes to about Rs 200/- per annum.Further there are establishment,repairs,packing,travelling,and other expenses and for all this approximate expenditure is about Rs 2000/- per year.

10.Estimated net profits accuring:The net profits,after deducting all expenses comes to about Rs 1500/- per annum usually.With the grant of protection by the Government of India last year,the profits for the

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year ending 22-12-1950 went upto Rs 2252/-,while year before last, because of the unusual heavy competition by foreign inks,our net profits dwindled to only Rs 157/-(It is because of this,the Indian ink manufacturers represented to the Government of India,who after full inquiry through the Tariff Board,granted protection to the indigenous FOUNTAIN PEN INK Industry.)

11. Reasons why the business cannot be financed without State Assistance: This is a small cottage industry run by a person,who has no ancestrol property of any value.Yet the industry is slowly progressing,because of lack of capital,all these years since 23-12-1944 when the present proprietor purchased the concern, with a bare capital of Rs 127-8-0.Now the capital,being the profits accumulated since 1944,after deducting the withdrawals,is Rs 4662-11-7(as on 23-12-1950.)At present to cope with the current demand and also for further expansion,dyes,chemicals and packing materials as bottles,corks,labels,cartons,boards,paper etc has to be stocked,none of which is available on credit and goods has to be advertised properly.Hence State-aid is essential

12. Nature and extent of State-aid applied to(The particular clause of section 6 under which the aid is applied for should be stated): By granting a loan of Rs 2000/-only(Rupees Two thousand only),under clause(a)of section 6 of the act.

13. SECURITY OFFERED:(a)If land,

(1)Survey number. (2)Extent. (3)Assessment. (4)In whose name registered.	The proprietor has none.

(b)Nature and description of other security,if any offered:The security that will be given is the personal security of the proprietor and the assets of the industry.Further,if needed,the security of my son Sri K.Damodara Bhat can also be given.

14. Nature and extent of applicant's right in the concern whether as co-sharer or proprietor or otherwise and his financial resources: The applicant is the sole proprietor of the concern.Beyond the assets of the concern he has no other financial resources.

15. Nature and extent of applicant's right to the property offered as security: NIL.

16. Nature and extent of encumberances onthe immoveble property offered as security-primary or collateral- NIL.

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17. Whether any arrears are due on the immovable property offered as security-primary or collateral, and if so, the nature and extent of such arrears: NIL.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan: The loan when granted will be repaid in 20 equal annual instalments of Rs 100/- and interest.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure: This can not be definetely stated. The proprietor hopes, when State-aid is granted to get atleast an additional profits of Rs 500/- per year in the beginning years and about Rs 1200/- or even more additional profit per annum after four or five years state-aid is granted.

20. If the application is from a joint stock company, the amount of capital actually subscribed and paid up and the number of shares held by each of the directors and their salary and fees and other perquisites should be stated: Not a joint stock company.

21. ANY OTHER REMARKS: NIL.

DECLARATION

I, K. Upendra Bhat, Proprietor: Kohinur Industrials (India), 1&2 Sugar Mills Road, Kallianpur, South Kanara District, declare that the statements made above are true to the best of my information and belief.

Station: Kallianpur
South Kanara District.

Dated: February 8, 1951.

KOHINUR INDUSTRIALS(INDIA)--,-1&2-Sugar Mills Road,Kallianpur,S.K.

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Balance sheet showing liabilities and assets as on December,1948.

Liabilities	Rs			Assets	Rs		
Due to sundry persons & the bank	752	10	3	Due from sundry persons	1151	4	5
Capital				Closing stock of			
as per last balance sheet - Rs 2115 0 1				finished articles	1421	7	0
Net profits of 1946-1947 - Rs 1654 15 10				empty bottles	527	0	4
3769 15 11				dyes and chemicals	1035	0	0
Less drawings during the year 622 1 0	3147	14	11	packing materials	51	12	0
Add net profits of the year	1322	0	10	corks,labels etc	497	13	1
				denatured spirit	168	14	8
				Furniture and utencils	312	4	0
				Cash at hand	30	4	4
				With bankers at call	26	14	2
	5222	10	0		5222	10	0

Trading and Profit and Loss Account for the year ending December 22,1948.

Dr EXPENDITURE	Rs			INCOME	Rs		Cr
To opening stock of				By closing stock of			
finished articles	1075	7	2	finished articles	1421	7	0
empty bottles	288	4	0	empty bottles	527	0	4
dyes and chemicals	882	8	10	dyes and chemicals	1035	0	0
packing materials	26	8	0	packing materials	51	12	0
corks,labels etc	193	12	0	corks,labels etc	497	13	1
denatured spirit	136	10	8	denatured spirit	168	14	8
To Purchases of							
empty bottles	1416	0	0	By Sales deducting value of goods returned	5707	3	8
dyes and chemicals	1226	5	9				
denatured spirit	154	7	0				
corks	135	14	0				
stationery	2	6	6				
To Printing expenses	871	8	0				
Manufacturing expenses	9	9	9				
Salary and wages	531	1	0				
Interest	67	0	9				
Misalaneous expenses	23	1	9				
Taxes	17	0	0				
Trade commission	127	12	4				
Travelling	587	7	3				
Freight paid	209	3	0				
Bank commission	6	14	0				
Posts and telegrams	66	5	3				
Depreciation	19	14	11				
Add net profits of the year	1322	0	10				
	9409	2	9		9409	2	9

Balance sheet showing liabilities and assets as on December 22,1949.

Liabilities	Rs			Assets	Rs		
Due to sundry persons	1257	14	5	Closing stock of			
Capital				Furniture and Utencils	297	9	0
as per last balance sheet - Rs 3147 14 11				finished articles	906	10	0
Net profits of 1947-1948 - Rs 1322 0 10				empty bottles	230	4	8
4469 15 9				dyes and chemicals	605	10	0
Less drawings during the year 1031 6 6	3438	9	3	packing materials	28	8	0
Out standing dues	5	4	0	corks,labels etc	463	13	0
Add net profits of the year	157	5	0	paper,boards etc	56	0	0
				denatured spirit	69	0	0
				Due from sundry persons	992	12	1
				Cash at hand and with bankers at call	1208	13	11
	4859	0	8		4859	0	8

10/ Trading and Profit & Loss Account for the year ending December 22,1949.

Dr. EXPENDITURE	Rs			INCOME	Rs		
To opening stock of				By closing stock of			
finished articles	1421	7	0	finished articles	906	10	0
empty bottles	527	0	4	empty bottles	230	4	8
dyes and chemicals	1035	0	0	dyes and chemicals	605	10	0
packing materials	51	12	0	packing materials	28	8	0
corks,labels etc	497	13	1	corks,labels etc	463	13	0
denatured spirit	168	14	8	paper,boards etc	56	0	0
To purchases of				denatured spirit.	69	0	0
empty bottles	938	5	11				
dyes and chemicals	807	15	9	By Sales deducting value			
corks	43	10	8	of goods returned	6043	11	0
denatured spirit	30	8	0	Interest received	0	1	6
stationery	28	10	9				
To Printing expenses424-7-9	424	7	9				
Manufacturing expenses	23	15	3				
Salary and wages	676	4	0				
Interest	76	11	8				
Misalaneous expenses	113	10	8				
Taxes	12	7	0				
Trade commission	234	11	9				
Travelling	959	8	1				
Freight paid	80	14	6				
Bank commission	7	12	0				
Posts and telegrams	58	8	6				
Depreciation	18	12	0				
Leakage & Demmurage	7	8	0				
Net profits of the year	157	5	0				
	8403	10	2		8403	10	2

Balance sheet showing liabilities and assets as on December 22,1950.

Liabilities	Rs			Assets	Rs		
Due to sundry persons	1269	12	9	Due from sundry persons	824	12	7
Capital				Closing stock of			
as per last balance				finished articles	912	5	11
sheet - Rs 3438 9 3				empty bottles	650	5	0
Net profits of 1948-1949 - Rs 157 5 0				dyes and chemicals	1352	14	0
3595 14 3				packing materials	16	0	0
Less drawings during				corks,labels etc	608	9	9
the year 1185 2 11	2410	11	4	paper,boards etc	252	6	3
Outstanding dues	4	2	0	stationery goods	41	15	2
Net profits of the year	2252	0	3	Furniture & Utencils	443	4	3
				Cash & With bankers	844	1	5
	5936	10	4		5936	10	4

Trading and Profit & Loss Account for the year ending December 22,1950.

Dr EXPENDITURE	Rs			INCOME	Rs		Cr
To opening stock of				By closing stock of			
finished articles	906	10	0	finished articles	912	5	11
empty bottles	230	4	8	empty bottles	650	5	0
dyes and chemicals	605	10	0	dyes and chemicals	1352	14	0
packing materials	28	8	0	packing materials	16	0	0
corks,labels etc	463	13	0	corks,labels etc	608	9	9
paper,boards etc	56	0	0	paper,boards etc	252	6	3
denatured spirit	69	0	0	stationery	41	15	2
To purchases of							
empty bottles	1635	12	3	By Sales deducting value			
dyes and chemicals	1564	1	3	of goods returned	7410	13	1
corks	194	10	0	Interest	2	6	0
denatured spirit	13	5	0				
paper,boards etc	134	3	0				
To Stationery,Printing & Postage	687	9	6				
Establishment	540	0	0				
Labour	142	11	0				
Interest	50	0	0				
Misalaneous expenses	2	2	3				
Taxes	5	0	0				
	7349	5	11		11447	11	8

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Trading & Profit & Loss A/c for the year ending 22-12-1950 (CONTINUED)

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Dr. EXPENDITURE	Rs			INCOME	Rs		
Brought forward	7349	3	11	Brought forward	11247	11	2
To							
Trade commission	357	10	6				
Travelling	1135	10	9				
Selling expenses	70	8	0				
Bank commission	12	2	0				
Advertisement	9	12	0				
Repairs & Maintainance	1	4	0				
Packing expenses	31	3	0				
Depreciation	28	4	9				
Net profits of the year	2252	0	3				
	11247	11	2		11247	11	2

The above are the true and correct statement of balance sheet showing liabilities and assets and trading and profit and loss a/c for the last three years.

Kallianpur, S.K.
February 8, 1951.

For KOHINUR INDUSTRIALS (INDIA)

Proprietor.

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DEVELOPMENT DEPARTMENT.

SUB: ACTS AND RULES - State Aid to Industries Act - Application from Sri K. Upendra Bhat, Proprietor, Kohinur Industrials (India) Kalliampur, South Kanara Dt. for a loan of Rs.2,000/- - Rejected.

Read the following:-

From the D.I & C. No. SA.1239/51 d/16.10.51

...

ORDER MS.NO. 4751 DATED 25-10-1951

The Board of Industries having declined to recommend the application from Sri K. Upendra Bhat, Proprietor, Kohinur Industrials (India) Kalliampur, South Kanara District — — for state aid, the application is rejected under Section 8(5) of the Madras State Aid to Industries Act of 1912 (Madras Act V of 1923).

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2. The DI&C is requested to inform the applicant that he may apply under the Madras cottage industries Loans and Subsidy Rules, 1948

TO the DI&C

(issued as GO MS. No. 4751, Dev. dt 25.10.51)